



Missouri Public Service Commission

1995 Annual Report



Commissioners
ALLAN G. MUELLER
Chairman

KENNETH McCLURE

DUNCAN E. KINCHELOE

HAROLD CRUMPTON

M. DIANNE DRAINER

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
314 751-3234
314 751-1847 (Fax Number)
314 526-5695 (TT)

December 1, 1995

DAVID L. RAUCH
Executive Secretary

SAM GOLDAMMER
Director, Utility Operations

GORDON L. PERSINGER
Director, Policy & Planning

KENNETH J. RADEMAN
Director, Utility Services

DANIEL S. ROSS
Director, Administration

CECIL I. WRIGHT
Chief Administrative Law Judge

ROBERT J. HACK
General Counsel

Honorable Mel Carnahan
Governor, State of Missouri
Executive Office
Jefferson City, MO 65101

Dear Governor Carnahan:

Each day the actions of the Public Service Commission affect every person in Missouri by ensuring that consumers receive adequate amounts of safely delivered, reasonably priced utility services at rates that will provide the companies' shareholders the opportunity to earn a reasonable return on their investment. In addition, we continue to carry out our statutory duties regarding manufacturers and dealers of mobile/modular homes. In today's new changing regulatory environment, we continuously review our regulatory policies to ensure that the broad public interest is promoted and protected.

As our annual report indicates, the Commission has had a very busy and productive year. In addition to several state regulatory issues, we also continue to aggressively participate in several federal issues ensuring the interests of Missouri ratepayers are represented.

As required by Section 386.380 RSMo 1986, the Missouri Public Service Commission is pleased to submit its annual report for the fiscal year of July 1, 1994 through June 30, 1995.

Respectfully submitted,

A handwritten signature in cursive script that reads "Allan G. Mueller".

Allan G. Mueller
Chairman



From left to right: Vice-Chairman Kenneth McClure, Commissioner M. Dianne Drainer, Chairman Allan Mueller, Commissioner Harold Crumpton and Commissioner Duncan Kincheloe.

Missouri Public Service Commission

1995 Annual Report

Allan Mueller, Chairman

Kenneth McClure, Vice-Chairman

Duncan Kincheloe, Commissioner

Harold Crumpton, Commissioner

M. Dianne Drainer, Commissioner

Patricia Perkins, Commissioner

Table of Contents

Missouri Public Service Commission

PSC Purpose and Responsibilities	2
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Commission Resources

Current Commissioners and Biographies	3
Key Personnel	9
PSC Organizational Chart	10
Budget Information	11

Commission Activities

Fiscal Year 1995	12
------------------------	----

Rate Case Activities

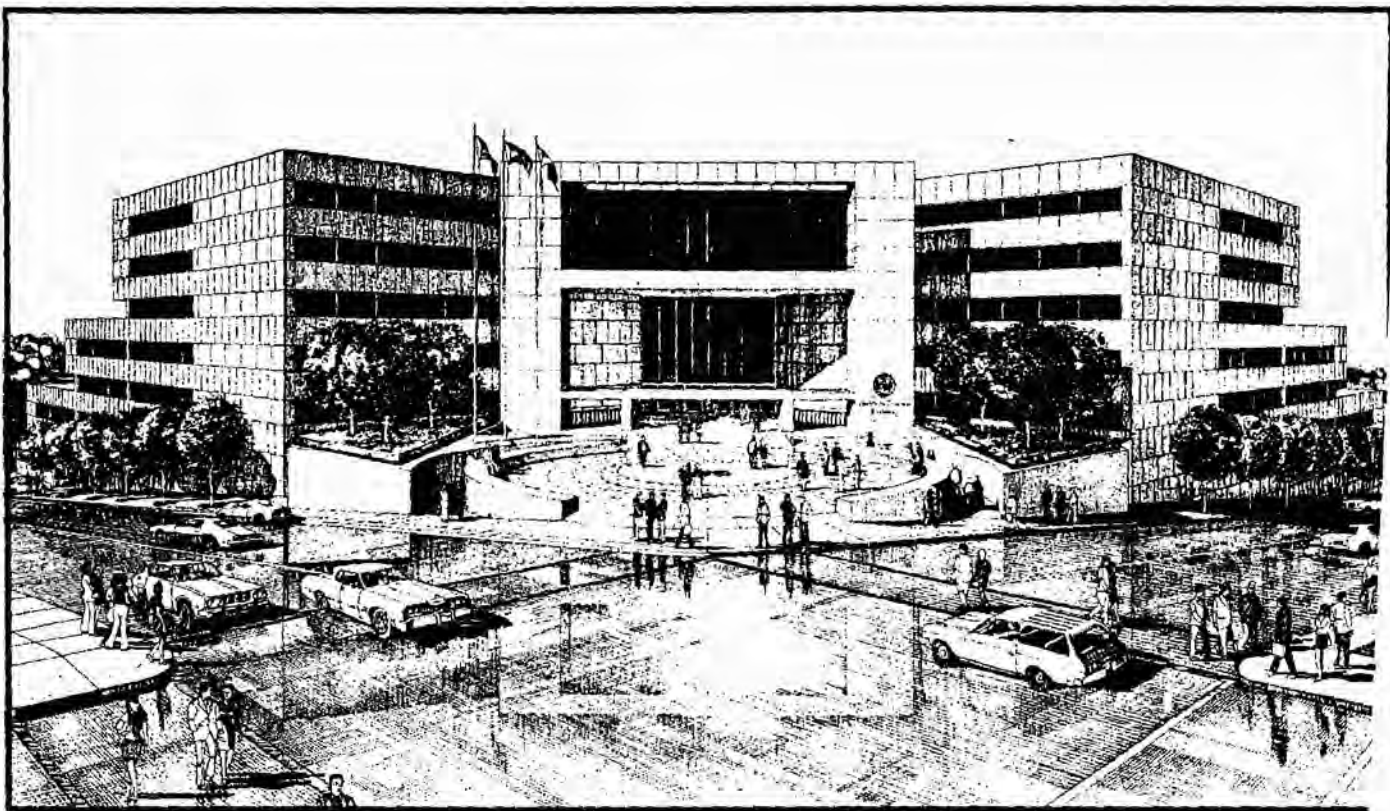
Year-At-A-Glance	21
Rate Case Decisions During Fiscal Year 1995	23

Maps and Statistics

Electric Map and Information	25
Natural Gas Map and Information	27
Telephone Map and Information	29
Water and Sewer Information	32

Additional Information

Consumer Services	34
Commissioners Past and Present	35



Harry S. Truman State Office Building, Jefferson City, Missouri. Commission offices are located on the 5th and 8th floors.

PSC Purpose and Responsibilities

Missouri Public Service Commission

The Missouri Public Service Commission has the statutory responsibility of ensuring that consumers receive adequate amounts of safely delivered and reasonably priced utility services at rates that will provide the utility companies' shareholders the opportunity to earn a reasonable return on their investment. The Commission must balance a variety of often competing private interests to ensure the overall public interest.

The Commission regulates the rates, practices and operations of the state's 596 investor-owned electric, gas, telephone, water, and sewer utilities. The Commission also regulates the state's 48 rural electric cooperatives and 39 municipally-owned natural gas utilities for operational safety, and the manufacturers and dealers of mobile/modular homes and recreational vehicles. Recent legislation also has expanded the Commission's regulatory oversight to include service territory issues involving rural electric cooperatives and municipally-owned electric utilities. The basic statutory provisions governing the Commission are contained in Chapters 386, 392, 393, 394 and 700 RSMo. The Commission is funded through assessments of those entities the Commission regulates and not from general revenue.

The Commission consists of five commissioners who are appointed by the Governor with the advice and consent of the Missouri Senate. The Governor designates one member as the Chairman who serves in that capacity at the pleasure of the Governor. Commissioners are appointed to six year terms. These terms are staggered so no more than two terms expire in any given year. Historically, a majority of the Commission has been of the same political party as the Governor.

The Commission is both quasi-judicial and quasi-legislative. The Commission is responsible for deciding cases brought before it and for the promulgation and enforcement of the administrative rules and regulations it has

adopted. Many of the Commission's duties are performed by conducting hearings in contested cases, which by statute must be transcribed by a court reporter. Commission hearings are conducted in a trial-like atmosphere using the same rules of evidence as applicable in the circuit court of the state. The Commission must render decisions in all cases in a timely manner to afford all parties procedural and substantive due process and comply with strict statutory time limits.

The Commission is assisted by a staff of professionals in the field of engineering, management, accounting, law, rate analysis, economics, consumer affairs, information, finance, investigation and administration. Duties range from helping an individual who has a complaint to investigating multi-million dollar utility-proposed rate requests. The Staff participates as a party in cases filed before the Commission. They conduct audits and make recommendations to the Commission. The recommendations made by the PSC Staff, like those filed by other parties in a proceeding, are used by the Commission in reaching a decision in a complaint or rate case. The Commission has established standards for safety and quality of service to which companies must adhere. Routine and special investigations are conducted by the Commission's Staff to ensure companies comply with those standards.

Commission Resources

Allan Mueller, Chairman



Allan Mueller
Chairman

Allan Mueller, a former member of the Missouri Senate and the Missouri House of Representatives, was first appointed to the Missouri Public Service Commission on July 11, 1983, by Governor Christopher S. Bond. On June 30, 1989, he was reappointed to a six year term by Governor John Ashcroft. In May 1993, Mueller was named Chairman of the PSC by Governor Mel Carnahan.

Prior to his appointment to the PSC, Mr. Mueller represented the City of St. Louis in the Missouri House of Representatives from 1971 to 1977 and was a member of the Missouri Senate from 1978 until 1983.

While in the Missouri General Assembly, Mr. Mueller sponsored several pieces of important legislation including the Missouri Compliance to the Federal Clean Air Act, the Energy Assistance Act and expansion of Prenatal Health Care Medicaid Coverage. His legislative record includes appointments to the National Council of State Legislators Energy Committee, the E.P.A. Superfund Implementation Strategy Task Force, the Low Income Energy Assistance Oversight Committee and the Hazardous Waste Management Task Force.

Prior to his election to the Missouri House of Representatives, Chairman Mueller served three years in the United States Marine Corps. His tour of duty included 13 months in Vietnam.

Chairman Mueller is currently serving on the National Association of Regulatory Utility Commissioners (NARUC) Committee on Energy Conservation. He has also been an active member of the Mid-America Regulatory Conference (MARC).

Chairman Mueller is a member of the advisory committee of the Electric Power Research Institute (EPRI). He also serves on the Missouri Oil and Gas Council.

In 1994, Governor Carnahan appointed Mr. Mueller to the Commission on Informational Technology and to the Energy Futures Coalition. He is also a member of the University of Missouri Curator's Advisory Committee on Telecommunications Technology.

Mr. Mueller graduated from St. Mary's University in San Antonio, Texas, in 1965 with a Bachelor's degree in Business Administration.

Allan Mueller and his wife, Carol, have four children.

Mr. Mueller's term expires on April 15, 1995.

Commission Resources

Kenneth McClure, Vice-Chairman

Commissioner Kenneth McClure was appointed to the Missouri Public Service Commission by Governor John Ashcroft on January 3, 1990, to fill an unexpired term. In April 1991, Mr. McClure was reappointed to a full six year term.

On January 5, 1992, Mr. McClure was named Chairman of the Public Service Commission by Governor Ashcroft, remaining in the capacity through May 3, 1993. Currently he is serving as Vice-Chairman.

Mr. McClure served as a budget analyst with the Missouri State Appropriations Committee from 1974 through 1976. From 1977 until 1981, he was Staff Director of the Missouri Senate Appropriations Committee. In October 1981, he was appointed Deputy Director/Administration of the Missouri Department of Economic Development. In that capacity, he had responsibility for the department's accounting, budget, personnel, data processing and unclaimed property functions as well as supervision of selected programmatic divisions.

Commissioner McClure serves as a member and vice chairman of the Communications Committee, the Committee on Utility Association Oversight, the Subcommittee on Administration and the Executive Committee of the National Association of Regulatory Utility Commissioners (NARUC). He also serves on the Federal-State Joint Conference



Kenneth McClure
Vice-Chairman

on Open Network Architecture plans, Federal Communications Commission (FCC) Docket No. 88-2, Phase I.

Mr. McClure received his BA degree from Southwest Missouri State University in 1972 and his MA degree from the University of Missouri-Columbia in 1974.

Mr. McClure and his wife, Joey, have two children.

Commissioner McClure's term expires on April 15, 1997.

Commission Resources

Duncan Kincheloe, Commissioner



Duncan Kincheloe
Commissioner

Attorney Duncan Kincheloe was appointed to the Missouri Public Service Commission by Governor John Ashcroft to replace William D. Steinmeier who resigned effective January 4, 1992.

Mr. Kincheloe had served as the governor's director of policy development for seven years prior to his appointment to the PSC. In that capacity, he advised the governor on education and other issues and served as the governor's office liaison to the departments of Public Safety, Corrections and Health. He also served as

chairman of the Missouri Military Advisory Commission and as a trustee of the Missouri State Employees' Retirement System.

Prior to 1985, Mr. Kincheloe held the position of associate attorney general in the Missouri Attorney General's office. In that capacity he served as counselor to the attorney general and had responsibility for the fiscal, legislative and public affairs activities of the office. Until 1979 he was engaged in the private practice of law in the Kansas City area.

Commissioner Kincheloe is currently serving as Vice Chairman of the Committee on Electricity of the National Association of Regulatory Utility Commissioners (NARUC). He also serves on its subcommittees on Strategic Issues and Environment-Efficiency. Previously he served as a member of the NARUC Committee on Finance and Technology.

Mr. Kincheloe is also the NARUC representative to the North American Electric Reliability Council (NERC) and a participant in the Keystone Dialogue on Electricity Policy Issues.

Commissioner Kincheloe has completed the Power Systems Planning and Operations School at the University of Illinois and acts as the Commission's primary representative in relations with the Southwest Power Pool and the Mid-America Interconnected Network.

Mr. Kincheloe earned his BA from the University of Missouri-Kansas City in 1973 and his JD from the University of Missouri-Kansas City Law School in 1976. He is a member of the Missouri Bar.

Commissioner Kincheloe and his wife, Lucia, have two children.

Mr. Kincheloe's term expires on April 15, 1997.

Commission Resources

Harold Crumpton, Commissioner

Harold Crumpton was appointed to the Missouri Public Service Commission on May 3, 1993 by Governor Mel Carnahan.

Prior to his appointment to the PSC, Commissioner Crumpton was employed by Southwestern Bell Telephone Company in its Network Operations in St. Louis. There he supervised the development of a major management information system that was deployed throughout the five state region and emulated by other Regional Bell Operating Companies. Mr. Crumpton had been with the telephone company from 1973 until 1992 when he took early retirement to pursue other career interests. On his own time and with the assistance of key members of the U.S. Congress and telecommunications professionals, Mr. Crumpton developed a national professional telecommunications organization with more than 2,500 members. Through this organization, he established an annual convention in Washington, D.C., that is attended by U.S. Senators, Representatives, Regulatory Commissioners, heads of both telecommunications companies and industry associations. Commissioner Crumpton is a strong advocate of technical and professional education as a way of improving the competitiveness of America industry in general and Missouri industry in particular.

Commissioner Crumpton earned his Bachelor of Science in Chemistry from Washington University in St. Louis in 1971. In 1973, he received an MBA in Finance and Production. He is currently pursuing a Masters in Telecommunications, and certification as a certified Netware Engineer (CNE).

Commissioner Crumpton is a member of the Committee on Gas and the Washington



Harold Crumpton
Commissioner

Action Committee of the National Association of Regulatory Utility Commissioners (NARUC). He is also an ardent supporter and member of the Mid-America Regulatory Conference (MARC).

Mr. Crumpton and his wife, Jessie, live in Columbia, and are the parents of Karen Makeba White and Robert Craig Crumpton.

Mr. Crumpton's term expires on April 15, 1999.

Commission Resources

M. Dianne Drainer, Commissioner



M. Dianne Drainer
Commissioner

M. Dianne Drainer was appointed to the Missouri Public Service Commission by Governor Mel Carnahan on July 3, 1995, to replace Patricia Perkins who had resigned.

Prior to her appointment to the Commission, Commissioner Drainer was Manager of Research and Evaluation for the Missouri Department of Social Services. Commissioner Drainer previously served as Chief Telecommunications Economist and Public Utility Economist for the Office of the Public Counsel from 1986 to 1991.

Commissioner Drainer serves as a member of the National Association of Regulatory Commissioners (NARUC) Committee on Finance and Technology. Previously, she served as an observer to the NARUC Staff Subcommittee on Communications from 1984 to 1991 and was a member of the National Association of State Utility Consumer Advocates (NASUCA) from 1986 to 1991.

Ms. Drainer graduated from the University of Missouri-Columbia with a Master's of Science Degree in Agricultural Economics in 1979 and a Bachelor's of Art Degree in Economics in 1977.

Commissioner Drainer's term expires on April 15, 2001.

Commission Resources

Patricia Perkins, Commissioner

Attorney Patricia Perkins was appointed to the Missouri Public Service Commission by Governor John Ashcroft on March 19, 1991, to fill an unexpired term.

Prior to her appointment to the Commission, Ms. Perkins worked in the legal department of the Missouri State Auditor's Office and as an Assistant Attorney General for the State of Missouri. Commissioner Perkins was Assistant Legal Counsel for the Missouri State Auditor from 1979 until 1981.

From 1981 until her appointment to the Missouri Public Service Commission, Ms. Perkins was an Assistant Attorney General and represented various state agencies during that period of time, including the Missouri State Employees' Retirement System, the State Medical Care Plan, the Public School Retirement System, the Missouri Division of Finance, which regulates state banks, the Missouri Division of Savings and Loan Supervision, the Division of Economic Development within the Department of Consumer Affairs, Regulation and Licensing, and the State Board of Accountancy. She also represented the Missouri Department of Corrections, defending the department against inmate civil rights lawsuits.

Most recently she represented the Missouri Department of Elementary and Secondary Education in all legal matters other than the desegregation lawsuits.

Commissioner Perkins earned a Bachelor of Music degree from Oklahoma Baptist University. She also holds a Masters in Education and JD degree from the University of Missouri-Columbia.



Patricia Perkins
Commissioner

While working on the Masters degree, she was a graduate teaching assistant, and then taught public school in Dallas, Texas, for two years prior to attending law school.

Commissioner Perkins was appointed in October 1991, to the Gas Committee of the National Association of Regulatory Utility Commissioners (NARUC).

Ms. Perkins has two daughters.

Commissioner Perkins resigned effective June 11, 1995.

Commission Resources

Key Personnel

Allan Mueller, Chairman	751-3243
Kenneth McClure, Vice-Chairman	751-4221
Duncan Kincheloe, Commissioner	751-4132
Harold Crumpton, Commissioner	751-0582
M. Dianne Drainer, Commissioner	526-7799
David Rauch, Executive Secretary	751-3048

Administration Division

Dan Ross, Director	751-7492
Mike Broker, Personnel Director	751-5606
Jim Phillips, Manager - Mobile Homes	751-7119
Kevin Kelly, Information Officer	751-9300
Lawson Phaby, Reporter of Opinions	751-5472
Dan Redel, Internal Accounting	751-2457

Adjudication Division

Cecil Wright, Chief Administrative Law Judge	751-7497
Barb Tomblinson, Chief Court Reporter	751-4255
Judy Fritsch, Manager - Records	751-7496

Policy and Planning Division

Gordon Persinger, Director	751-7491
Bill Washburn, Manager - Policy and Federal Affairs Department	751-7505
Michael Proctor, Acting Manager - Economic Analysis	751-7518
Art Wimberley, Manager - Management Services	751-7439

General Counsel

Rob Hack, General Counsel	751-8705
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Utility Operations Division

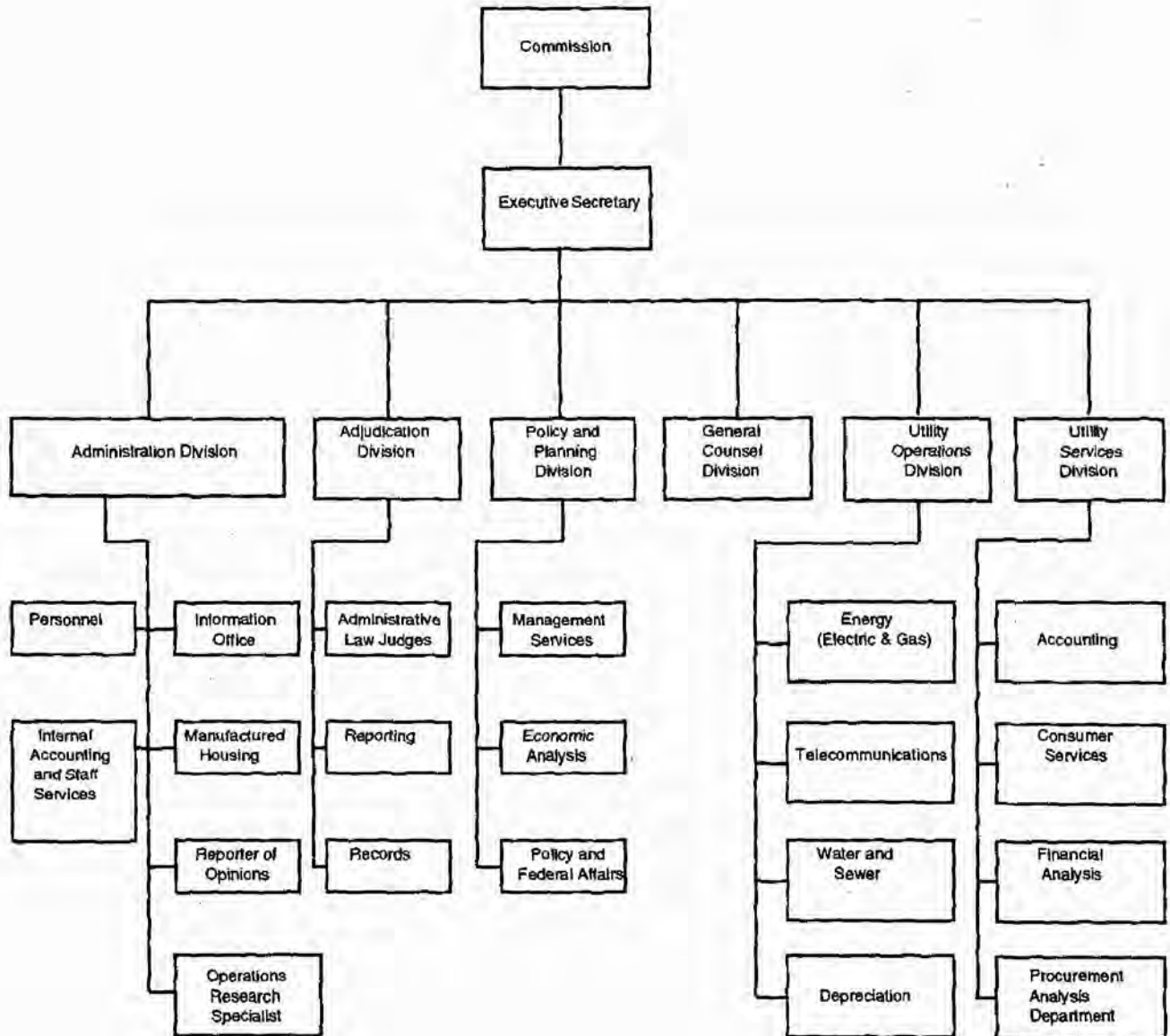
Sam Goldammer, Director	751-2508
Bo Matisziw, Manager - Energy Department	751-2152
Dale Johansen, Manager - Water and Sewer Department	751-7074
John Van Eschen, Manager - Telecommunications Department	751-5525
David Birenbaum, Manager - Depreciation	751-1854

Utility Services Division

Ken Rademan, Director	751-7487
Jay Moore, Manager - Financial Analysis	751-8517
Janet Hoerschgen, Manager - Consumer Services	751-3160
Joan Wandel, Manager - Accounting	751-4785
David Sommerer, Procurement Analysis Department	751-4356

Commission Resources

Missouri Public Service Commission Organizational Chart



Commission Resources

Budget

	FY 1994	FY 1995	FY 1996
Executive Section			
Personal Service	\$ 2,267,611	\$ 2,348,439	\$ 2,454,472
Expense and Equipment	316,240	292,486	292,486
F.T.E.	64.00	64.00	64.00
Administration Division			
Personal Service	\$ 407,318	\$ 422,138	\$ 434,219
Expense and Equipment	1,221,828	1,128,886	1,113,386
F.T.E.	13.00	13.00	13.00
General Counsel			
Personal Service	\$ 656,693	\$ 680,594	\$ 708,803
Expense and Equipment	135,751	127,044	127,044
F.T.E.	21.00	21.00	21.00
Utility Section			
Personal Service	\$ 3,243,281	\$ 3,417,175	\$ 3,619,171
Expense and Equipment	4,738,069	4,697,547	4,832,904
F.T.E.	99.00	101.00	101.00
Manufactured Housing Dept.			
Personal Service	\$ 161,803	\$ 213,913	\$ 222,193
Expense and Equipment	202,861*	166,798	77,598
F.T.E.	6.00	8.00	8.00
Totals			
Personal Service	\$ 6,736,706	\$ 7,082,259	\$ 7,438,858
Expense and Equipment	6,614,749	6,412,761	6,443,418
Total	<u>\$ 13,351,455</u>	<u>\$ 13,495,020</u>	<u>\$ 13,882,276</u>
F.T.E.	<u>203.00</u>	<u>207.00</u>	<u>207.00</u>

*Includes program specific distribution of \$161,148.

State Regulatory Summary

Fiscal Year 1995

During the 1995 fiscal year, the Missouri Public Service Commission (Commission) issued over 1,200 orders and closed 424 cases.

Utility companies regulated by the PSC filed a total of 438 cases, 863 tariffs and nearly 9,000 tariff sheets during FY '95.

In addition to traditional docketed case activities, the Commission addressed numerous regulatory policy issues. Some of the most significant issues appear below.

Telecommunications

Resolution of the Southwestern Bell case

The Commission, the Office of the Public Counsel and Southwestern Bell Telephone Company reached an agreement in the fall of 1994 which will benefit Missouri for years to come.

Under the terms of the agreement, Southwestern Bell will make a \$1.1 billion capital expenditure commitment in Missouri over the next four years to upgrade its Missouri infrastructure. At least \$35 million a year will be invested over the next four years in special projects, including the areas of distance learning and telemedicine.

In addition, the agreement calls for the development of at least five telecommunity centers, among the first of their kind in the country.

The telecommunity centers will provide Missourians with state-of-the-art technology which can be used in a number of different applications such as education, medicine and economic development.

The agreement also resulted in refunds to Southwestern Bell customers of approximately \$65 million and a reduction in Southwestern Bell's annual revenues of approximately \$69.5 million a year.

Commission on Informational Technology (CIT)

Commission Chairman Allan G. Mueller and several members of the PSC Staff played a valuable role in the development of a report on

the state of telecommunications in Missouri. Members of the Governor's Commission on Informational Technology submitted their report to Governor Mel Carnahan in 1995.

The CIT report states that from education to health care, widespread application of cutting edge telecommunications technology means progress. Although a surprising number of these advanced services can be delivered by using the existing infrastructure, the CIT report states that many of the services instrumental in shaping Missouri's future will be dependent on the deployment of additional infrastructure.

Telemedicine trial begins in Missouri

Telecommunications technology and the medical community joined hands in Missouri in May of 1995, making telemedicine a reality to thousands of rural Missourians over the next three years.

This telemedicine trial will allow primary care and emergency physicians from rural areas of the state to consult with specialists over phone lines, saving patients unnecessary travel, expense and time away from work.

This program will strengthen the role of rural clinics and hospitals, enabling them to continue care on site for patients whom they traditionally have referred to larger medical centers.

The Commission and the Missouri Rural Opportunities Council were instrumental in the development of the telemedicine trial in Missouri. The Commission named a task force to assist in the implementation of a telemedicine project in Missouri. Commission staff members played a key role in the development of the trial currently underway.

Fiber optics/highway project begins

Construction is underway in Missouri on a fiber optic system designed to provide a state-of-the-art traffic information network. This network is designed to improve traffic mobility and reduce congestion.

This innovative fiber optic system, constructed along Missouri interstate highway rights-of-

State Regulatory Summary

way, is being built by Digital Teleport Incorporated.

This venture between Digital Teleport and the Missouri Highway and Transportation Department became a reality through the work of the PSC which explicitly authorized competition among certain suppliers of dedicated local exchange services when it granted Digital Teleport its requested certificate of service authority.

Commission establishes docket to examine local telephone competition

As the telecommunications industry moves toward greater competition, the industry must explore ways to give customers maximum choices and ensure that companies which are seeking to provide services are offered a fair opportunity to do so. As a result, the Commission established a docket in June of 1995 to examine the safeguards which are necessary to ensure fair competition and protect the public interest as competition for telecommunications services increases.

The Commission seeks to encourage competition consistent with its statutory constraints while it continues to address the public interest issues which are inherent and intertwined with the introduction of local competition.

A new area code comes to Missouri

Missouri will have a fourth area code beginning in 1996 under a decision reached by the Commission in July of 1995. A geographic split was determined to be the best method to resolve the exhaustion of telephone numbers in the 314 area code in the state.

Under the Commission's decision, the St. Louis metropolitan area and surrounding communities will retain the 314 area code. The outstate area of the current 314 area code (towns such as Hannibal, Cape Girardeau, Jefferson City and Columbia) will receive the new 573 area code on a permissive dialing basis early in 1996. The mandatory change to 573 will occur in July of 1996.

The Commission chose a geographic split over an overlay plan because it would allow all customers to retain their seven-digit numbers

and would require few changes in customer dialing habits.

As part of the Commission's decision, a docket was established to examine the exhaustion of telephone numbers in the 816, 417 and the new 314 area codes. Exhaustion of telephone numbers in the 816 area code is projected to occur within the next three years.

Distance Learning tariffs approved for local exchange companies

The Commission took another step in its commitment regarding two-way, interactive video distance learning in Missouri when it approved tariffs for such a service for 35 local exchange telephone companies. Tariffs, approved by the Commission in July of 1994, contain the rates, terms and conditions under which interactive video instruction may take place via telephone lines.

Commission action is consistent with a recently passed bill by the Missouri Legislature which enables local telephone companies to file separate tariffs pertaining to educational institutions.

These tariffs will enable rural school systems to join together into small groups in order to share master teachers as well as teachers with special training. In this way, rural schools may obtain many of the advantages of their larger urban counterparts while preserving local autonomy.

Electric

Union Electric experimental alternative regulation plan

Union Electric became the first regulated electric utility in Missouri to operate under an experimental rate regulation plan under an agreement approved by the Commission on July 21, 1995. The agreement called for an electric rate reduction of approximately \$30 million (1.8%) a year and a one-time bill credit of approximately \$30 million.

Under the experimental alternative regulation plan, customers will benefit from the efficient operations of the company by

State Regulatory Summary

sharing in company earnings if those earnings reach a certain level.

The experimental alternative regulation plan, which will be in effect for three years, establishes a sharing grid under which customers share in earnings if they rise above a specified return on equity for a given year. That sharing begins when Union Electric's return on equity reaches 12.61 % or greater. If sharing occurs, customers will receive a one-time bill credit for that year.

Special contracts

During this past fiscal year, some large energy intensive industrial customers sought more competitively priced electric service. The Clean Air Act, the overall economy and the general desire of customers and regulators to have access to lower cost energy are causing industry participants to look for answers in special and unique ways.

In response to these pressures, some utilities have discovered or concluded that special contracts were a way to resolve some of their problems. Several of these were filed this past fiscal year. While not all have been approved, careful attention is being given to the process used and standards set to assure fair and equitable treatment of all concerned.

Territorial agreements

During the fiscal year, the Commission decided two cases involving territorial agreements. The Commission approved an agreement between Empire District Electric Company and the City of Carthage which operates a municipal electric system. The agreement allows Empire to serve an area outside the city which the city will not serve if the area is annexed by the city.

The Commission approved an agreement between Union Electric and Laclede Electric Cooperative which provides for a boundary line between the two suppliers. A previous agreement was denied by the Commission but the conditions were changed in this agreement.

On May 31, 1995, Union Electric and Black River Electric Cooperative filed an agreement which provides for the transfer of approxi-

mately 3,000 customers each and 750 miles of line. That case was pending before the Commission at the end of the fiscal year.

Electric industry competition

The prospect of competition for the electric utility business continues to exert pressure in the industry to reduce costs and to consider non-regulated alternatives for surviving in a new marketplace. The regulated utilities in Missouri continue their efforts to improve efficiency in providing electric service. Reduction in personnel and organizational changes are directed to keeping costs at a minimum. The vertical integration of the electric industry is starting a move to independent cost centers. Rate cases have moved to incentives to encourage increased efficiencies and to define ways to share the cost savings with the ratepayer and the shareholder.

The non-regulated side of the electric energy business is expanding as utilities try to take advantage of their position in the energy market. The marketplace will determine the winners and losers in this arena away from regulatory influence. Careful scrutiny will be necessary from the regulatory community as traditional ways of conducting business are challenged.

Mergers and re-alignment of the electric utility industry may change the regulatory horizon as the unregulated portions of the industry increase and deregulation is discussed. The goals of safe and reliable service at reasonable rates will still be the objective, and the regulatory process will have to adapt to this new environment.

Natural Gas

Revisions to the Commission's Pipeline Safety Regulations

This past fiscal year, the Energy Department's Gas Safety Staff completed major revisions to the Commission's Pipeline Safety Regulations contained in 4 CSR 240-40.020 and 4 CSR 240-40.030. These revisions went into effect on May 28, 1995.

In December of 1989, the Commission adopted statewide pipeline safety regulations that were more stringent than the Federal Pipeline Safety Regulations then in effect. This

State Regulatory Summary

followed a series of natural gas incidents during the winter of 1988/1989 when it was determined that the existing regulations were not stringent enough. The most recent changes incorporate updated changes to the federal rules as well as modifications which the Commission staff and the State's natural gas operators felt were necessary to more efficiently and effectively promote gas safety in Missouri.

Expansion of natural gas service to new areas

The availability of natural gas was extended to a number of areas throughout Missouri during fiscal year 1995. It is anticipated that this will not only increase the number of energy options available to approximately 14,000 potential customers but will also provide an opportunity for economic development in and around these areas.

Missouri Public Service received a certificate to provide natural gas service to Rolla in September of 1994.

The first Rolla customers began service in October of 1994. Though construction has not yet begun, Missouri Public Service also received a certificate to serve Salem and it is anticipated that service may begin by March of 1996.

The Commission granted Southern Missouri Gas Company a certificate in October of 1994 to serve ten cities and the surrounding areas through natural gas transmission and distribution pipelines in southern Missouri. In September of 1995, the Commission extended Southern Missouri Gas Company's certificate to include an additional five cities. Construction began on gas distribution facilities in April of 1995.

In addition, two new municipally-owned and operated natural gas distribution systems began service in the cities of Waynesville and St. Robert during the first three months of 1995. A third municipally-owned system began construction in Gallatin in June of 1995.

Federal Activity

The Commission continued to aggressively represent the interests of Missouri utility customers in proceedings before the Federal Energy Regulatory Commission (FERC), the Federal Communications Commission (FCC) and Congress during the 1995 fiscal year. As has been the case in recent years, Congress, federal regulators and the federal courts continue to consider and act on questions which have major consequences for Missouri utility ratepayers.

The Commission continues to closely monitor Congressional activity and works as needed with the Missouri Congressional delegation on significant utility matters affecting the state.

The Commission and its staff remain active participants in the National Association of Regulatory Utility Commissioners (NARUC) which works to promote state interests in the national arena.

Federal Telecommunications Issues

The introduction of telecommunications legislation in the United States Congress has been a significant driver of activities for the telecommunications section of the Policy and Federal Department. The possibility of passage of Federal legislation and the potential ramifications such legislation could have upon state regulatory authority, coupled with increasing competition in the telecommunications industry, has heightened the significance of coordination between federal and state regulatory agencies. The Commission has again continued to take an active role in federal dockets that may in one way or another affect telecommunications users in the State of Missouri. Federal issues in which the Commission and its staff, coordinated by the Policy and Federal Department, have been involved in include: Federal Telecommunications Legislation; Universal Service Fund activities; Area Code and Numbering Plan matters; Transport rate restructuring; Consumer protection issues; Access service issues; and a second joint state/federal affiliate transaction audit of a large local exchange telecommunications company which serves Missouri telephone service consumers.

The Policy and Federal Department staff strives to keep apprised of events occurring in other states. The staff participates in numerous NARUC activities and has members on sub-committees on Telecommunications and Energy. The Policy and Federal Department staff is also active in the Southwestern Region Regulatory Group, which is an association of staff members from the five public utility commissions in the Southwestern Bell Telephone Company territory. This group meets periodically to review matters of common interest relating to the regulation of all telecommunications utilities in the region. The Policy and Federal Department staff keeps Commissioners and Commission staff apprised of federal telecommunications matters through bimonthly Federal Communications Group meetings.

Federal Legislation

Bills were introduced in both houses during the 104th United States Congress that pertained to reforms in telecommunications regulation. The Commissioners and staff of the Missouri Public Service Commission have been very active in this process. The Commissioners and staff have met on a weekly basis via conference calls with Commissioners and staff from public utility commissions from other states and with representatives of the National Association of Regulatory Utility Commissioners (NARUC). Commissioners and the Commission staff have met with the legislative staffs of several Missouri Senators and Representatives. Passage of the two telecommunications bills is anticipated sometime during Missouri Fiscal Year 1996. Upon successful passage by both chambers, the bills must be merged in Conference Committee action where differences between the two versions of the legislation are worked out. The compromise version from the Congress is then sent to each chamber for final approval, and is then sent to the White House to be signed by the President. Commissioners and Commission staff will continue to participate in this process and anticipate participation during the Conference Committee in hopes of assisting in the crafting of legislation that is not deleterious to Missouri users of telecommunications services.

Federal Activity

Universal Service Fund

Local exchange telephone companies that have outside plant costs which are higher than a pre-determined national average are eligible to receive financial assistance through the Universal Service Fund to assist in offsetting these high costs. The size of the Universal Service Fund in monetary terms has grown steadily since the fund was created. The FCC has temporarily placed the Universal Service Fund under an indexed cap until a comprehensive solution is achieved. In October 1994, the Missouri Commission sponsored a Universal Service Fund (USF) workshop for regulatory agencies and the telecommunications industry. Over 50 individuals participated in this day long workshop. The Commission and its staff is actively participating in the universal service projects coordinated through the NARUC and a member of the staff serves on the Federal/State Joint Board Staff. In October 1994, the Commission filed comments in a Notice of Inquiry before the FCC in the USF docket. The Commission staff is presently assisting the Federal / State Joint Board staff in assembling and analyzing voluminous amounts of data relating to the Universal Service Fund for analysis of comments filed by various parties in response to a Notice of Proposed Rulemaking in the Universal Service Fund Docket. An order respecting changes to the Universal Service Fund is expected from the Federal Communications Commission during the first quarter of calendar year 1996.

Transport Rate Restructure

As a component in the process of introducing competition into the telecommunications environment, the Commission has used the transport rate restructure actions at the federal level as a venue to explore transport rate restructure and access restructure.

The Commission instituted a formal investigatory docket in which participants are expected to provide exhaustive information pertaining to alternative approaches and their anticipated effect on Missouri telephone companies. Two rounds of general technical conferences have been held between the Commission staff and industry participants. A report is expected to be filed shortly that

identifies broad questions and various issues some participants believe are implicated within each question.

Southwestern Bell Telephone Company has filed proposed tariffs with the Commission seeking to restructure local transport rates. Local transport rates are the provision of access services within a LATA for connection of intrastate communications facilities for interexchange customers within the operating territory of a local exchange telephone company. Restructuring of local transport rates is an essential preliminary step toward the eventual introduction of competition into the local telecommunications markets. Southwestern Bell is seeking Commission authorization to move from a single charge for the service to a breakdown or unbundling of the rate elements which make up the charge. Customers affected by this filing include any interexchange carrier (long-distance telephone companies), local exchange carrier, or enhanced service provider which subscribes to the services offered under the tariff to provide intrastate telecommunications services or telecommunications related services for hire. This filing has no direct effect on the typical residential telephone customer of Southwestern Bell. Hearings in this matter are scheduled to begin on November 20, 1995.

Slamming Comments Filed

The Missouri Public Service Commission, the Missouri Office of Attorney General and the Office of the Public Counsel jointly filed comments with the FCC in an effort to discourage the practice of changing a customer's primary interexchange carrier without the customer's knowledge or approval. The practice of making an unauthorized change of a customer's primary interexchange carrier is commonly referred to as slamming.

Commission Supports 700 Access Service Position

On February 7, 1995, the Commission submitted a letter to the FCC in support of Southwestern Bell Telephone's zero percent default PIU for 700 access service. The Commission asserts that a zero percent default PIU would provide adequate incentive for interexchange carriers to accurately report 700 traffic information.

Federal Activity

Joint NARUC / FCC Audit of GTE Affiliated Transactions

The Commission staff has started discussions regarding participation in a joint federal / state audit of the affiliated transactions of GTE.

Federal Natural Gas Activities

Decisions by the Federal Energy Regulatory Commission (FERC) directly impact Missouri ratepayers since Missouri's natural gas local distribution companies (LDCs) must use FERC-regulated interstate pipelines for delivery of their natural gas supplies. From 15-40% of the price paid by Missouri gas consumers is regulated by the FERC. The Commission believes its involvement in FERC and related judicial proceedings is necessary to ensure that Missouri natural gas consumers receive reliable service at reasonable rates.

The Commission has focused on the rate and tariff filings of Williams Natural Gas Company (WNG), Mississippi River Transmission Corporation (MRT), and Panhandle Eastern Pipe Line Company (PEPL). While there are eight interstate pipelines directly serving Missouri with an additional six or so upstream pipelines utilized by Missouri LDCs, the Commission has actively participated in various rate and tariff proceedings involving these three pipelines since they provide service to the majority of the state's natural gas consumers.

Although the FERC's Order 636 restructuring initiative took effect beginning with the 1993-94 winter, the Commission is one of about a dozen states which are involved in the combined appeals of Order No. 636 before the United States Court of Appeals. Also, the Commission Staff continues to analyze and protest various aspects of pipeline Order 636 transition cost filings when it believes such costs do not follow FERC's guidelines for the pass-through of such dollars to consumers.

The Commission also submitted comments in several of FERC's generic policy and rulemaking proceedings regarding filing and reporting requirements for interstate natural gas companies (RM95-3 and RM95-4) and Administrative Dispute Resolution (RM91-12).

In Docket No. RP94-296, WNG sought to direct bill Missouri ratepayers nearly \$18 million in

unrecovered purchased gas costs. As a result of Commission and customer efforts, this has been reduced to approximately \$12 million.

After considerable review and deliberation, the Commission chose to not oppose WNG's direct bill recovery of approximately \$17.8 million associated with a comprehensive settlement of long-standing litigation between WNG and Amoco Production Company. The benefits of the settlement were perceived to outweigh the potential risks and costs that could have been passed on to consumers had the settlement not been made.

In another case, Docket No. RP94-365, WNG has requested recovery of nearly \$7.8 million in gas supply realignment costs from Missouri consumers. The Commission is extremely concerned that WNG has been imprudent in the incurrence of costs associated with contract reformation and pricing differential costs contained in this filing and significant additional costs that WNG will likely be seeking recovery of in the future. Accordingly, the Commission has dedicated considerable effort to vigorous litigation in this case. In the coming months, the Commission will be evaluating its litigation position and deciding whether to enter a formal prudence challenge in this docket.

During November 1994 WNG refunded \$780,000 of take-or-pay carrying charges to Missouri customers as a result of a favorable FERC decision the Commission obtained in Docket No. FA90-68.

Since 1989 the Commission has protested WNG's recovery of approximately \$25 million from Missouri ratepayers for ad valorem tax reimbursements claimed by WNG in its annual PGA filings. Because a FERC decision in the WNG cases was linked to the resolution of several other pipeline cases which were stalled at FERC, the Commission also intervened and filed pleadings in these related cases to elicit a decision from FERC. In December 1993 and May 1994, FERC issued orders in these cases which required producers and pipelines to refund to customers certain Kansas ad valorem tax reimbursements by the end of calendar year 1994. In December 1994, WNG refunded \$12.3 million in Kansas ad valorem tax principal and interest to Missouri customers. However, the Commission has sought judicial review for the purpose of obtaining further customer refunds related to (1) the Kansas

Federal Activity

ad valorem tax reimbursements WNG was unable to recover from producers (but were previously paid by customers), and (2) approximately \$14 million in Wyoming and Colorado ad valorem taxes paid by Missouri customers. It has also joined a related appeal which is seeking review of FERC's decision to limit producers' liability for refunds to only the post-1988 time period.

WNG has two pending rate increase applications. (Roughly half of WNG's revenue requirement is paid by Missouri ratepayers.) In Docket No. RP93-109 WNG seeks a total annual increase of nearly \$50 million for the period November 1993 through July 1995. The Commission actively participated in this case's August 1994 and May 1995 hearings. Parties are awaiting a preliminary decision in this docket. WNG's new rate case RP95-136 involves \$28.6 million annual rate increase effective August 1995. This docket is in the discovery phase with the hearing currently scheduled for the Spring of 1996. There have been substantial discovery disputes in RP95-136 regarding affiliate charges contained in WNG's proposed cost of service.

In Docket No. RP92-166, PEPL requested a general rate increase of approximately \$80 million per year, to be effective November, 1992. The Commission participated in the hearing of this case, which took place late May and early June, 1994. Parties received the Administrative Law Judge's preliminary decision in December 1994, and are awaiting a final Commission decision.

The Commission protested PEPL's application to construct a line and provide direct transportation service to a new plant in Mexico, Missouri in Docket No. CP95-257. The Commission viewed the situation as a bypass of the LDC and directed FERC's attention to the uneconomic aspects of the deal and several safety concerns. FERC dismissed the Commission's concerns and the Commission did not seek court review of the decision.

Federal Electric Issues MegaNOPR

On March 29, 1995, the Federal Energy Regulatory Commission (FERC) issued a Notice of Proposed Rulemaking (NOPR), Docket No. RM95-8, "Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities" and Docket No. RM94-7,

"Recovery of Stranded Costs By Public Utilities and Transmitting Utilities." Docket No. RM95-8 would make sweeping changes in the electric wholesale industry. These new rules would require utilities to provide open access to the interstate electric transmission network. All utilities subject to FERC jurisdiction will be required to file non-discriminatory open access tariffs, which will be available to all wholesale sellers and buyers of electric energy. Utilities would be allowed the opportunity to recover stranded costs under Docket No. RM94-7.

The goal of these proposed rules is to facilitate the development of a competitive market by ensuring that wholesale sellers and buyers have the opportunity to reach each other by requiring transmission owning utilities to open up their lines for others to use. The proposed order included provisions for the utilities to follow in filing open access tariffs.

The Commission staff will be filing initial and reply comments in regard to these proposed rules. It is anticipated that FERC will issue a final order in early 1996.

Two Missouri electric utilities, Kansas City Power & Light Company and the Missouri Public Service, a division of UtiliCorp United, have filed open access tariffs with FERC. The Commission staff has been an active intervenor in both cases. It is expected that disagreements will be resolved and both filings will be submitted to FERC for approval during late 1995.

In conjunction with the FERC NOPR on open access, Docket RM95-9 dealing with Real Time Information Networks (RINs) was issued. FERC intends to develop RINs to provide current information on the available capacity and condition of the transmission systems for those trading electric power. FERC intends to have the RIN standards in place when the open access transmission rule is finalized.

The Commission staff has attended several technical conferences regarding RINs and is working with the two utilities who have filed open access tariffs as they develop their RIN.

Regional Transmission Groups

During the past year, the Commission staff met with the two reliability councils which serve Mis-

Federal Activity

souri, the Mid-America Interconnected Network (MAIN) and the Southwest Power Pool (SPP) as they work on forming Regional Transmission Networks.

The MAIN RTG task force decided in the spring of 1995 that an agreement could not be reached and postponed further activity until later in the year or until FERC issues the open access order. Work on forming an RTG in the SPP has been postponed pending a regional transmission pricing solution. A transmission pricing task force has been formed to develop possible pricing methods for consideration within the SPP.

The electric industry is changing more rapidly than ever before. The transition from a full monopoly to a competitive industry will be quite difficult for the utilities, regulators and customers. As this occurs, it will be important to see that transition occurs in an orderly manner and that customers understand their choices in this competitive environment and that utilities are able to provide safe and adequate service and have the opportunity to remain financially strong. This will be a difficult task, but critical to the success of this changing industry.

Regulatory Activities

Year-at-a-Glance

July 6

Commission approves agreement which makes permanent Southwestern Bell's Missouri intrastate Open Network Architecture (ONA) tariff.

July 14

PSC approves tariffs authorizing 35 local exchange telephone companies to provide two-way, interactive video services for distance learning.

July 19

Commission approves agreement which authorizes St. Louis County Water Company to increase water revenues by approximately \$10 million a year. When the Company filed its case on November 24, 1993, it sought an increase of approximately \$13.6 million.

August 2

PSC approves agreement which authorizes Empire District Electric Company to increase electric revenues by approximately \$7.3 million a year. Company sought \$8 million when it filed its case on December 1, 1993.

August 22

PSC approves agreement which authorizes Laclede Gas Company to increase gas revenues by approximately \$12.2 million a year. Laclede sought \$27.1 million when it filed its case on January 14, 1994.

August 22

Missouri Public Service receives Commission approval to provide natural gas service to the Rolla area.

August 29

PSC approves agreement which resolves a number of issues regarding GTE Midwest. Contained in the agreement is an accelerated network modernization plan for GTE as well as a revenue decrease of approximately \$16.6 million a year.

September 1

PSC, Office of the Public Counsel and Southwestern Bell reach an agreement which provides for a \$1.1 billion capital expenditure commitment by Bell to enhance its telecommunications infrastructure in Missouri. Agreement also gives customers approximately \$65 million in refunds and reduces telephone revenues for the company by approximately \$278 million over the next four years.

September 16

PSC approves application which authorizes Tartan Energy to construct natural gas facilities and render service to six south-central Missouri counties.

October 12

PSC issues decision which authorizes St. Joseph Light & Power to increase steam revenues by approximately \$800,000.

October 13

Commission approves the sale of the natural gas transportation pipeline systems of Missouri Gas Company and Missouri Pipeline Company to UtiliCorp United, Incorporated.

October 19

Southwestern Bell customers receive one-time bill credits totaling approximately \$10 million. One-time credit the result of the settlement of all issues relating to the 1993 earnings of Southwestern Bell.

October 28

St. Louis County Water Company files \$11.9 million water rate case with PSC.

November 10

United Cities Gas Company files \$1.1 million natural gas rate case with PSC.

November 23

Missouri-American Water Company files a \$2.2 million water rate case with PSC.

Regulatory Activities

November 23

Missouri Cities Water Company files a \$1.56 million water rate case and a \$6,100 sewer rate case with the PSC.

1995

January 9

Missouri Commission joins others in filing comments with the Federal Communications Commission (FCC) discouraging telephone 'slamming'.

January 31

PSC approves Southwestern Bell filing which eliminates the charge for touchtone service, makes changes to directory assistance and establishes a late payment charge.

February 8

PSC issues decision which authorizes the Capital City Water Company to increase water revenues by approximately \$334,800 a year. Company sought a rate increase of \$523,600 when it filed its case on March 25, 1994.

March 17

Empire District Electric Company files an \$8.5 million electric rate case with PSC.

March 29

Commission establishes rate bands for a number of Southwestern Bell's long-distance services previously determined to be transitionally competitive.

May 9

PSC approves agreement which authorizes Kansas City Power & Light to sell sulfur dioxide emission allowances.

May 10

PSC approves agreement which decides all issues relating to St. Joseph Light & Power's electric class cost of service.

June 11

Commissioner Patricia Perkins resigns.

June 13

PSC establishes docket to examine local telephone competition.

Regulatory Activities

Electric Rate Cases Decided During Fiscal Year 1995

<u>Date of Order</u>	<u>Case No.</u>	<u>Company</u>	<u>Company Requested</u>	<u>PSC Decision</u>
8/2/94	ER-94-174 & EO-91-74	Empire District Electric Co.	\$ 8,000,000	\$ 7,300,000

Steam Rate Cases Decided During Fiscal Year 1995

<u>Date of Order</u>	<u>Case No.</u>	<u>Company</u>	<u>Company Requested</u>	<u>PSC Decision</u>
10/12/94	HR-94-177	St. Joseph Light & Power Co.	\$ 800,000	\$ 800,000

Natural Gas Rate Cases Decided During Fiscal Year 1995

<u>Date of Order</u>	<u>Case No.</u>	<u>Company</u>	<u>Company Requested</u>	<u>PSC Decision</u>
8/22/94	GR-93-220	Laclede Gas Company	\$ 27,100,000	\$ 12,200,000

Telephone Rate Cases Decided During Fiscal Year 1995

<u>Date of Order</u>	<u>Case No.</u>	<u>Company</u>	<u>Company Requested</u>	<u>PSC Decision</u>
8-29-94	TR-89-182, TR-89-238, TC-90-75, TM-93-1 & TO-93-309	GTE Midwest, Inc.	---	(\$16,600,000) (1)
9/1/94	TC-93-224 & TO-93-192	Southwestern Bell Telephone Co.	---	(\$69,600,000) (2)

(1) Case remanded to Commission by Missouri Court of Appeals, Western District.

(2) Agreement reached by PSC, Office of Public Counsel and Southwestern Bell.

Regulatory Activities

Water and Sewer Rate Cases Decided During Fiscal Year 1995

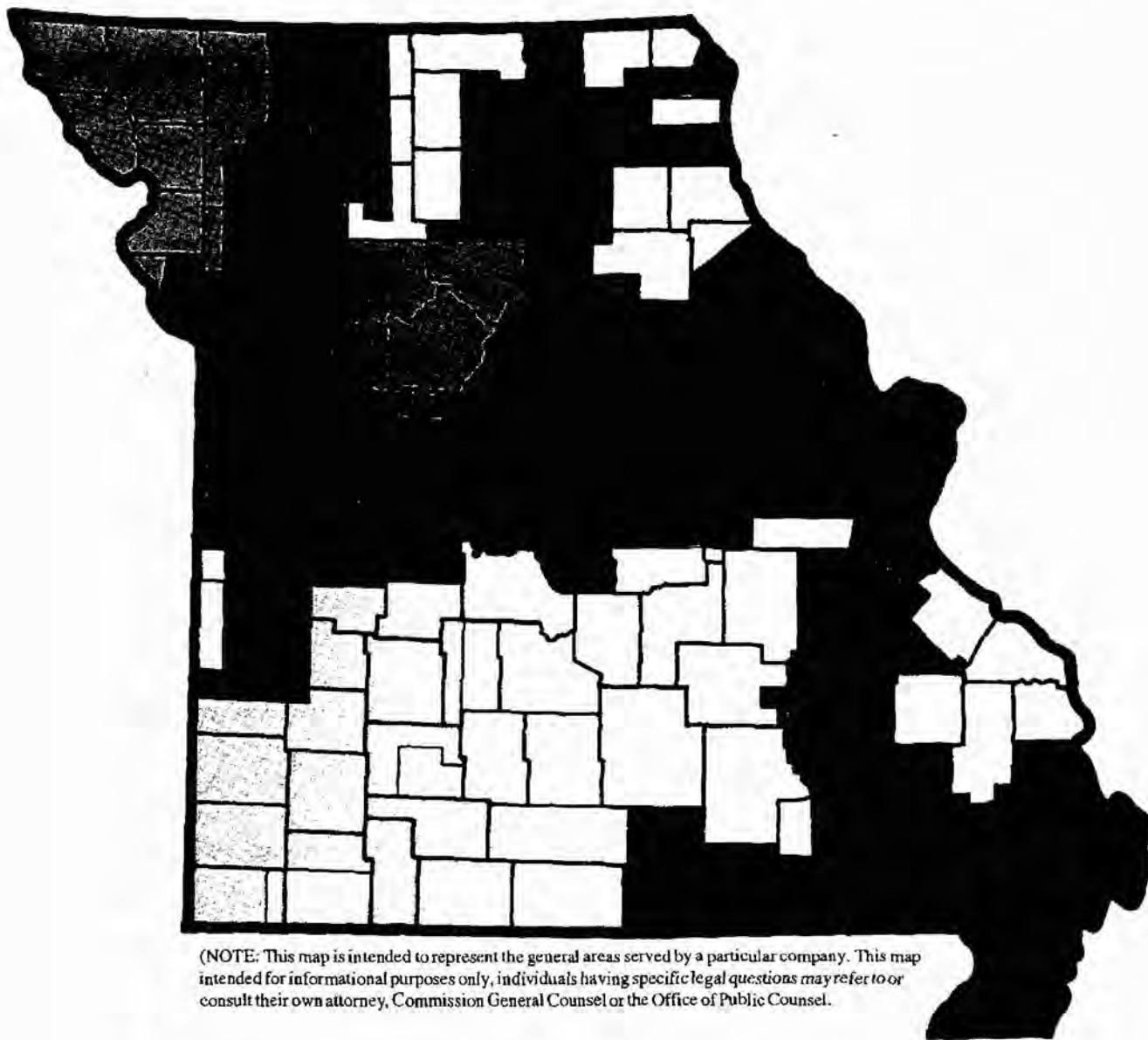
Date of Order	Case No.	Company	Company Requested	PSC Decision
7/19/94	WR-94-166	St. Louis County Water	\$ 13,600,000	\$ 10,000,000
8/26/94	WR-94-211	Raytown Water	\$ 685,000	\$ 420,000
2/8/95	WR-94-297	Capital City Water Company	\$ 523,000	\$ 339,000

Informal Rate Cases

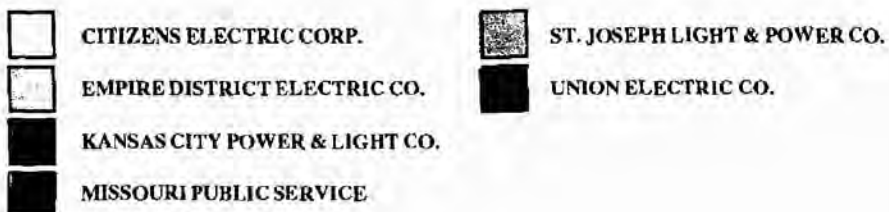
Case No.	Company	Decision
9400369	I.H. Utilities	2/1/95
9400377	Capital Utilities	10/1/94
9400432	Cedar Hill Utility	Withdrawn
9400573	Batson Development Co.	No Increase
9400702	Rogue Creek Util. (Water)	11/16/94
9400703	Rogue Creek Util. (Sewer)	11/16/94
9500030	Mill Creek Sewer	No Increase
9500080	Hickory Hill Water & Sewer	No Increase
9500084	Willows Utilities	4/1/95
9500087	Clarence Cannon Water	11/2/94
9500210	Loma Linda Development	6/27/95
9500275	Riverside Utility (Water)	Withdrawn
9500276	Riverside Utility (Sewer)	Withdrawn
9500351	KMB Utility (Water)	5/22/95
9500352	KMB Utility (Sewer)	5/22/95
9500391	U.S. Water	No Increase
9500400	Davis Water Company	5/22/95

Maps and Statistics

Electric Service Areas of Regulated Utilities



(NOTE: This map is intended to represent the general areas served by a particular company. This map intended for informational purposes only, individuals having specific legal questions may refer to or consult their own attorney, Commission General Counsel or the Office of Public Counsel.



Maps and Statistics

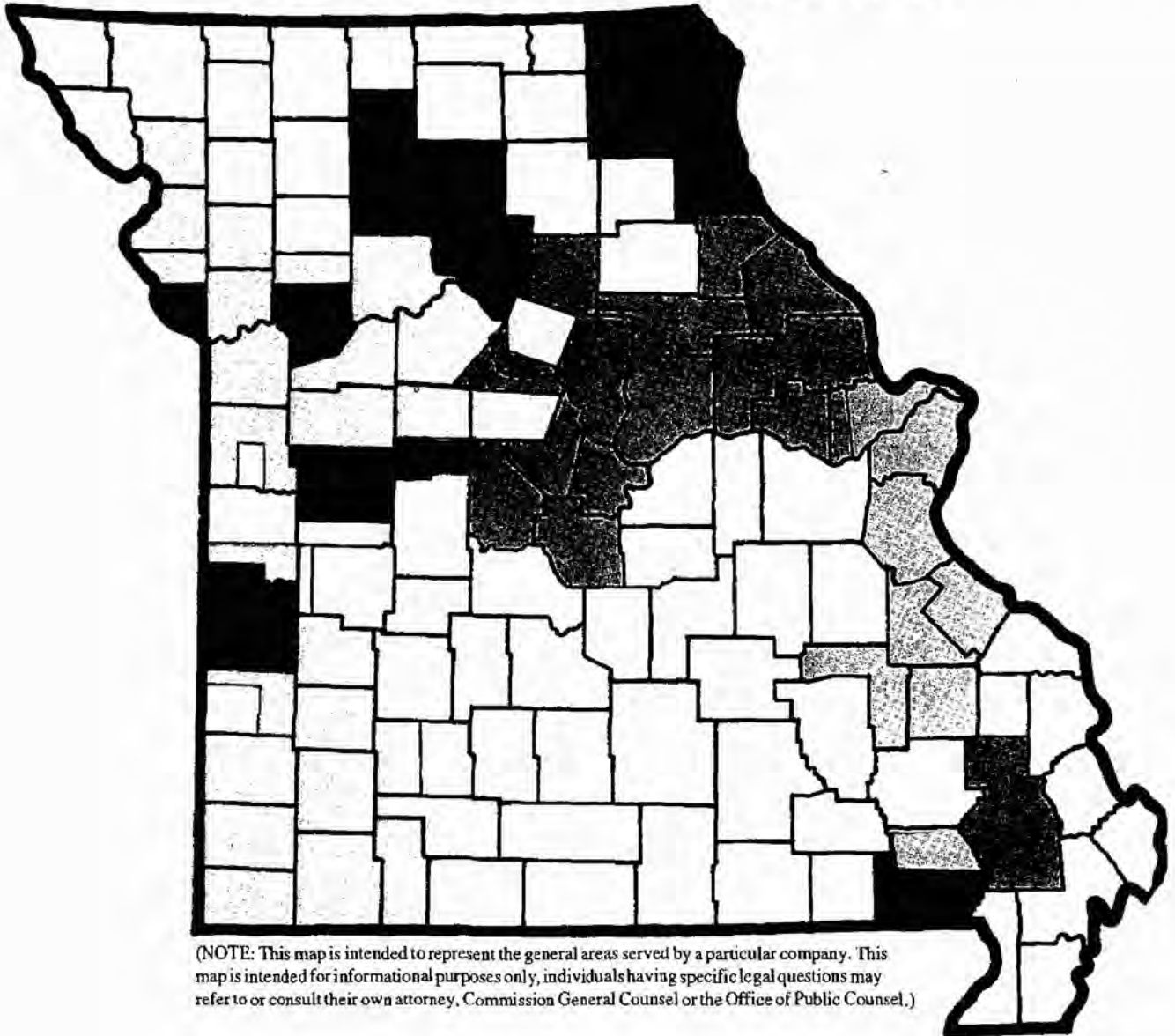
Calendar Year 1994 Electric Utilities' Statistics (Missouri Jurisdictional)

Name of Company	MWH's Sold 1994	Total Operating Revenues 1994	Total Number Residential Customers	Total Number of Customers
Citizens Electric Corporation	693,399	\$ 36,616,776	18,777	20,738
Empire District Electric Company	2,791,504	139,735,272	93,567	111,617
Kansas City Power & Light Co.	7,581,352	499,730,271	219,608	251,671
Missouri Public Service	3,629,394	249,749,308	156,903	179,957
St. Joseph Light & Power Co.	1,425,174	74,376,559	53,424	60,152
Union Electric Company	26,751,738	1,733,589,275	924,592	1,051,849
TOTALS:	42,872,561	\$ 2,733,797,461	1,466,871	1,675,984








Source: 1994 Annual Reports (Missouri Jurisdictional)

Maps and Statistics

Gas Service Area of Regulated Utilities



(NOTE: This map is intended to represent the general areas served by a particular company. This map is intended for informational purposes only, individuals having specific legal questions may refer to or consult their own attorney, Commission General Counsel or the Office of Public Counsel.)

- | | |
|--|--|
|  ASSOCIATED NATURAL GAS CO. |  ST. JOSEPH LIGHT AND POWER CO. |
|  MISSOURI GAS ENERGY |  UNION ELECTRIC CO. |
|  LACLEDE GAS CO. |  UNITED CITIES GAS CO. |
|  MISSOURI PUBLIC SERVICE | |
- * FIDELITY NATURAL GAS COMPANY
serves Sullivan, Missouri.
- * GREELEY GAS COMPANY
serves customers in Bates County.

Maps and Statistics

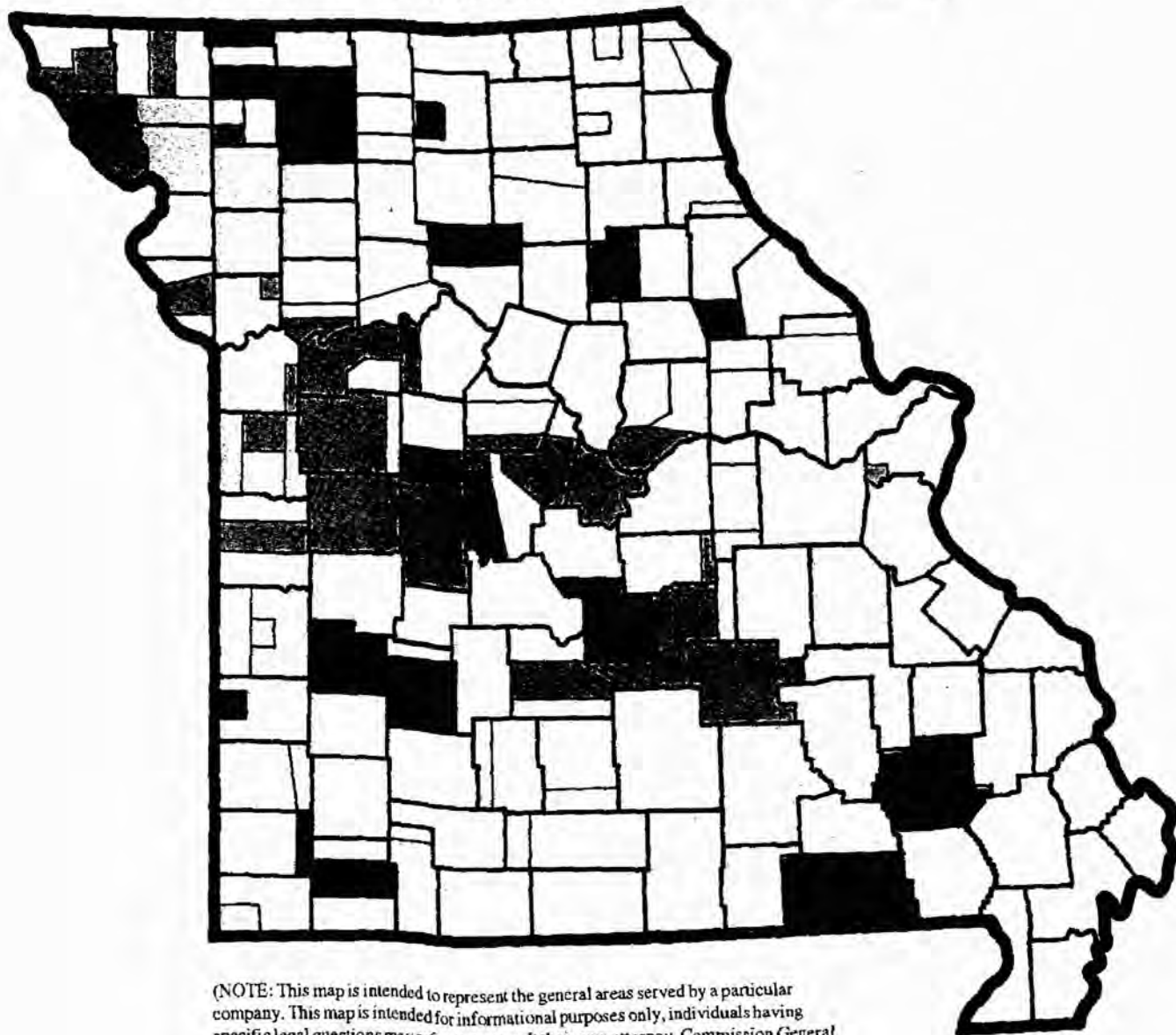
Calendar Year 1994 Natural Gas Utilities' Statistics (Missouri Jurisdictional)

Name of Company	MCF's Sold 1994	Total Operating Revenues 1994	Total Number Residential Customers	Total Number of Customers
Associated Natural Gas Company	7,381,315	\$ 36,606,016	39,927	45,576
Fidelity Natural Gas Company	54,921	236,539	520	598
Greeley Gas Company	54,590	378,178	496	557
Laclede Gas Company	88,802,566	507,066,004	566,632	603,962
Missouri Gas Energy	63,040,609	306,486,770	409,621	468,253
Missouri Public Service	5,303,827	34,812,360	36,790	41,475
St. Joseph Light & Power Company	853,968	5,236,258	5,441	6,282
Union Electric Company	13,383,847	73,099,520	87,758	98,596
United Cities Gas Company	2,289,860	12,827,461	13,546	15,354
TOTALS:	<u>181,165,503</u>	<u>\$ 976,749,106</u>	<u>1,160,731</u>	<u>1,280,653</u>

Source: 1994 Annual Reports (Missouri Jurisdictional)

Maps and Statistics

Telephone Service Area of Regulated Utilities



(NOTE: This map is intended to represent the general areas served by a particular company. This map is intended for informational purposes only, individuals having specific legal questions may refer to or consult their own attorney, Commission General Counsel or the Office of Public Counsel.)



GTE INC.



ALLTEL SERVICE CORP.



SOUTHWESTERN BELL TELEPHONE CO.



UNITED TELEPHONE CO.

Maps and Statistics

Other Telephone Companies and Counties They Serve

Mark Twain Rural Telephone Company: Adair, Clark, Knox, Schuyler, Shelby, Lewis, Marion, and Scotland Counties.

Citizens Telephone Company: Lafayette County

Northeast Missouri Telephone Company: Adair, Clark, Knox, Linn, Macon, Putnam, Schuyler, Scotland, and Sullivan Counties.

Kingdom Telephone Company: Callaway and Montgomery Counties

Mid-Missouri Telephone Company: Cooper, Moniteau, and Saline Counties

Steelville Telephone Company: Crawford, Washington, Dent and Iron Counties

Green Hills Telephone Corporation: Caldwell, Carroll, Daviess, Livingston, and Ray Counties

McDonald County Telephone Company: McDonald County

Granby Telephone Company: Newton County

Chariton Valley Telephone Corporation: Linn, Chariton, and Macon Counties

Seneca Telephone Company: Newton and McDonald Counties

Craw-Kan Telephone Company: Bates and Jasper Counties

Rock Port Telephone Company: Atchison County

Bourbeuse Telephone Company: Franklin and Gasconade Counties

Goodman Telephone Company: McDonald County

Ellington Telephone Company: Reynolds County

KLM Telephone Company: Vernon and Bates Counties

Eastern Missouri Telephone Company: Montgomery, Audrain, Lincoln and Pike Counties

Iamo Telephone Company: Atchison and Nodaway Counties

Oregon Farmers Mutual Telephone Company: Holt County

Lathrop Telephone Company: Clinton County

Orchard Farm Telephone Company: St. Charles County

Le-Ru Telephone Company: Newton and McDonald Counties

Grand River Mutual Telephone Corporation: Daviess, Gentry, Grundy, Harrison, Linn, Livingston, Mercer, Nodaway, Putnam, Sullivan, and Worth Counties

Miller Telephone Company: Lawrence County

Stoutland Telephone Company: Camden and Laclede Counties

New London Telephone Company: Ralls County

Holway Telephone Company: Holt and Nodaway Counties

Mo-Kan Dial, Inc.: Cass County

Choctaw Telephone Company: Lawrence and Greene Counties

New Florence Telephone Company: Montgomery County

Alma Telephone Company: Lafayette County

Peace Valley Telephone Company: Howell County

Farber Telephone Company: Audrain County

Fidelity Telephone Company: Gasconade and Franklin Counties

Missouri Telephone Company: Worth, Gentry, DeKalb, Daviess, Cedar and Polk Counties.

(NOTE: Companies serve all or parts of the counties listed. This is for informational purposes only, individuals having specific legal questions may refer to or consult their own attorney, Commission General Counsel or the Office of Public Counsel.)

Maps and Statistics

Missouri Jurisdictional Telephone Companies by Access Lines*

Company	No. of Access Lines
1. Southwestern Bell Telephone Company, St. Louis	2,686,594
2. GTE Telephone Operations, Columbia	377,253
3. United Telephone Company, Jefferson City	221,210
4. ALLTEL Missouri Service Corporation, Little Rock, Ark.	31,384
5. Missouri Telephone Company, Bolivar	18,400
6. Grand River Mutual Telephone Corporation, Princeton	13,467
7. Fidelity Telephone Company, Sullivan	11,721
8. Chariton Valley Telephone Corporation, Bucklin	7,318
9. Kingdom Telephone Company, Auxvasse	4,087
10. Mark Twain Rural Telephone Company, Hurdland	3,917
11. Northeast Missouri Rural Telephone Company, Green City	3,862
12. Steelville Telephone Exchange, Inc., Steelville	3,850
13. Citizens Telephone Company, Higginsville	3,777
14. Mid-Missouri Telephone Company, Pilot Grove	3,328
15. Green Hills Telephone Corporation, Breckenridge	3,246
16. Eastern Missouri Telephone Company, Bolivar	2,873
17. McDonald County Telephone Company, Pineville	2,791
18. Seneca Telephone Company, Seneca	2,711
19. Granby Telephone Company, Granby	2,520
20. Craw-Kan Telephone Cooperative, Inc., Girard, Kansas	2,192
21. Bourbeuse Telephone Company, Sullivan	1,899
22. Goodman Telephone Company, Goodman	1,744
23. Ellington Telephone Company, Ellington	1,723
24. Rock Port Telephone Company, Rock Port	1,589
25. KLM Telephone Company, Rich Hill	1,508
26. Lathrop Telephone Company, Princeton	1,239
27. Le-Ru Telephone Company, Stella	1,192
28. Stoutland Telephone Company, Stoutland	1,170
29. Iamo Telephone Company, Coin, Iowa	1,096
30. Oregon Farmers Mutual Telephone Company, Oregon	1,059
31. Miller Telephone Company, Miller	968
32. New London Telephone Company, New London	863
33. Mo-Kan Dial, Inc., Louisburg, Kansas	687
34. Orchard Farm Telephone Company, St. Charles	683
35. Holway Telephone Company, Maitland	566
36. Choctaw Telephone Company, Halltown	512
37. New Florence Telephone Company, New Florence	404
38. Peace Valley Telephone Company, Peace Valley	355
39. Alma Telephone Company, Alma	312
40. Farber Telephone Company, Farber	217
Total Access Lines in Missouri	3,426,287

* Access Lines in use as of July 1, 1995. (Note: Billed access lines would be somewhat less.)

Maps and Statistics

Calendar Year 1994 Sewer Company Statistics (Missouri Jurisdictional)

Classification and Company	Customers
Class A (Revenue over \$500,000)	
West Elm Place Corp.	3,592
Class B (Revenue from \$250,000-\$500,000)	
Imperial Utility Corp.	2,114
Class C (Revenue from \$50,000-\$250,000)	
Capital Utilities Inc.	1,054
Cedar Hill Utility Co.	381
Four Seasons Lakesites W&S Co.	22
Herculaneum Sewer Co.	256
House Springs Sewer Co.	992
Meramec Sewer Co.	786
Ozark Water & Wastewater Mgmt. Inc.	421
Terre Du Lac Utilities Corp.	958
Class D (Revenue under \$50,000)	
Ascension Resorts, LTD.	147
Batson Development Co.	240
Central Jefferson County Utility Inc.	226
Eastern Missouri Utilities Co.	2
Foxfire Utility Co.	121
Franklin County Service Co.	48
Gladlo Water & Sewer Co.	61
Bill Gold Investments Inc.	109
Hickory Hill Water & Sewer Co.	41
Highway H Utilities	36
Hillcrest Utilities Co.	153

Classification and Company	Customers
Incline Village Sewer Co.	112
KMB Utility Corp.	188
LW Sewer Corp.	185
Lake Carmel Development Co.	16
Lake Hannibal Sewer Corp.	14
Lake Northwoods Utility Co.	13
Lincoln County Utility Co.	128
Meadows Water Co.	257
Mill Creek Sewers Incorp.	74
Missouri American Water Co.	102
Missouri Utilities Co.	133
MPB Inc.	66
P.C.B. Inc.	265
Peaceful Valley Service Co.	132
Port Perry Service Co.	52
Riverside Utility Co.	100
Roark W & S Inc.	13
Rogue Creek Valley Inc.	71
Roy L. Utilities Inc.	53
SK&M Water & Sewer Co.	100
Schell Sanitation Inc.	175
Shell Knob Estates Utilities	35
South Jefferson County Utility Co.	120
Southwest Sewer Corp.	0
Stoddard County Sewer Co.	152
Swiss Villa Utilities Inc.	120
Taney County Utilities Corp.	72
Timber Creek Sewer Co.	0
Village Water & Sewer Co., Inc.	72
West 16th Street Sewer Co.	82
Willows Utility Co.	208
Woodland Heights Utilities Inc.	68
WPC Sewer Co.	42

Maps and Statistics

Calendar Year 1994 Water Company Statistics (Missouri Jurisdictional)

Classification and Company	Customers	Classification and Company	Customers
Class A		Frimel Water Systems Inc.	72
(Revenue over \$500,000)		Gladlo Water & Sewer Co.	61
Capital City Water Co.	10,109	Hickory Hill Water & Sewer Co.	44
Empire District Electric Co.	4,173	Highway H. Utilities Inc.	195
Missouri-American Water Co.	86,669	Hillcrest Utility Co.	153
Raytown Water Co.	6,382	Incline Village Water Co.	121
St. Louis County Water Co.	296,336	Kimberling City Water Co.	107
U.S. Water/Lexington, Mo., Inc.	2,265	KMB Utility Corp.	776
Class B		Lake Northwoods Utility Co.	13
(Revenue from \$250,000 - \$500,000)		Lakeland Heights Water Co.	122
Community Water Co.	2	Lakewood Manor Water Co.	27
Ozark Shores Water Co.	889	Little Water Co.	50
Tri-State Utility Co.	2,283	Loma Linda Development Inc.	129
Class C		LTA Water Co.	85
(Revenue from \$50,000 - \$250,000)		McCord Bend Water Co.	95
Capital Utilities, Inc.	392	Missouri Utilities Co.	134
I H Utilities, Inc.	664	Moore Bend Water Co.	99
Middlefork Water Co.	2	Oakbrier Water Co.	39
Noel Water Co.	571	Osage Water Co.	49
Ozark Mountain Water Co.	321	Peaceful Valley Service Co.	141
Rex Deffenderfer Enterprises Inc.	757	Port Perry Service Co.	111
Riverside Utility Inc.	352	Quail Run Water & Land Co.	77
Taney County Utilities Corp.	546	Rankin Acres Water Co.	80
Terre Du Lac Utilities Corp.	961	Riverfork Water Co.	34
The Meadows Water Co.	956	Roark W & S Inc.	14
Class D		Rogue Creek Utility Inc.	74
(Revenue under \$50,000)		Roy L. Utilities Inc.	56
Argyle Estates Water Co.	46	Shell Knob Estates Utilities	36
Ascension Resorts, LTD	549	SK&M Water & Sewer Co.	210
Camelot Utility Co.	228	South Jefferson County Utility Co.	120
Cat-Pac Waterworks Inc.	136	Spring Valley Estates Water	114
Cedar Hills Estates Water Co.	168	Stockton Hills Water Co.	128
Central Jefferson County Utility Inc.	226	Suburban Water Co.	151
Evergreen Lake Water Co.	65	Swiss Villa Utilities Inc.	122
Finley Valley Water Co.	162	Village Water & Sewer Co., Inc.	73
Foxfire Utility Co.	121	Whispering Hills Water System	49
Franklin County Service Co.	33	White River Valley Water Co.	130
Franklin County Water Co.	125	Wilden Heights Water Co.	21
		Willow Utility Co.	208
		Woodland Heights Utilities Inc.	68
		Woodland Manor Water Co.	83

Additional Information

Consumer Services

The Missouri Public Service Commission has two offices for assisting consumers. The offices are located in Jefferson City and St. Louis. The Commission is open from 8-12 noon and 1-5 p.m., Monday through Friday, except on state holidays.

If you live outside of the St. Louis area, you may contact the Jefferson City office without charge by using the toll-free Consumer Hotline: (800) 392-4211.

If you live in the St. Louis area, you may take your complaint to the PSC Consumer Services offices.

Jefferson City: **Missouri Public Service Commission**
Harry S Truman State Office Building
301 W. High
(Mailing Address: P.O. Box 360)
Jefferson City, MO 65102
Toll-free Consumer Hotline for
Complaints: (800) 392-4211
Other Business: (314) 751-3234

St. Louis: **Missouri Public Service Commission**
The New Frisco Building
Suite 330
906 Olive Street
St. Louis, MO 63101
Telephone No: (314) 340-6807

Additional Information

Commissioners Past and Present

The Missouri Public Service Commission was formed in 1913 by the Missouri General Assembly. Those who have served as Commissioners of the Missouri Public Service Commission since its beginning appear below:

Present Commission

*Allan G. Mueller	July 11, 1983
*Kenneth McClure	January 3, 1990
Duncan E. Kincheloe	January 4, 1992
Harold Crumpton	May 3, 1993
M. Dianne Drainer	July 3, 1995

<i>Former Commissioners</i>	<i>Length of Service</i>	<i>Former Commissioners</i>	<i>Length of Service</i>
* John M. Atkinson	**1913-1916	Richard Arens	1944-1945
William F. Woerner	**1913-1914	* Kyle Williams	1941-1952
John Kennish	**1913-1917 and 1920	Agnes Mae Wilson	1943-1949
Frank A. Wightman	**1913-1915	* Morris E. Osburn	1945-1952
Howard B. Shaw	**1913-1917	John P. Randolph	1949-1951
Edwin J. Bean	1914-1925	Henry McKay Cary	1950-1955
Eugene McQuillin	1915-1917	Frank Collier	1953-1954
* William G. Busby	1916-1921	Maurice W. Covert	1952-1953
David E. Blair	1917-1920	Charles L. Henson	1942-1959
Noah W. Simpson	1917-1923	M.J. McQueen	1954-1956
Edward Flad	1917-1921	D.D. McDonald	1955-1961
* John A. Kurtz	1920-1923	Frank J. Iuen	1959-1963
Hugh McIndoe	1921-1923	* Tyre W. Burton	1952-1965
A. J. O'Reilly	1921-1925	William Barton	1956-1965
Richard H. Musser	1923-1925	Frank W. May	1961-1967
* Merrill E. Otis	1923-1924	E.L. McClintock	1945-1967
D.F. Calfée	1925-1929	Donal D. Guffey	1963-1968
* Thomas J. Brown	1923-1928	Howard Elliott, Jr.	1967-1970
James P. Painter	1928-1929	* Marvin E. Jones	1967-1973
* Almon Ing	1925-1933	* William R. Clark	1965-1975
S. M. Hutchison	1925-1931	Willard D. Reine	1968-1975
* Milton R. Stahl	1929-1933	* James F. Mauze	1971-1975
J. Fred Hull	1929-1934	* A. Robert Pierce, Jr.	1973-1977
* J. C. Collet	1933-1935	* James P. Mulvaney	1975-1977
Harry E. McPherson	1934-1935	Charles J. Fain	1965-1977
J.H. Porter	1925-1933	Stephen B. Jones	1975-1979
George H. English	1931-1936	Hugh A. Sprague	1975-1979
William Stoecker	1933-1936	Stephanie Bryant	1979-1981
Albert D. Nortoni	1936-1938	* Alberta Slavin	1977-1981
W. M. Anderson	1933-1938	Larry W. Dority	1979-1983
Scott Wilson	1938-1941	Leah Brock McCartney	1977-1983
* Sam O. Hargus	1935-1937	* Charles J. Fraas	1977-1983
John S. Boyer	1935-1941	* John C. Shapleigh	1981-1984
Marion S. Francis	1938-1941	Charlotte Musgrave	1981-1988
* J.D. James	1937-1942	Connie Hendren	1983-1989
Paul Van Osdol	1941-1943	James M. Fischer	1984-1989
* Frederick Stueck	1941-1943	Ruby Letsch-Roderique	1990-1991
John A. Ferguson	1936-1944	* William D. Steinmeier	1984-1992
* Albert Miller	1943-1944	David Rauch	1989-1993
		Patricia Perkins	1991-1995

*Those who have served as Chairman of the Public Service Commission

**First Commissioners of the Public Service Commission